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SUBJECT: NASSAU MONTHLY -- MARCH 2009

1. (U) This is a monthly report on a variety of topics of interest which do not merit full reporting cables.

-- SOUTHCOM Still Loves Nassau  
-- Nassau World's Busiest Cruise Port, Visitor Numbers Still Down  
-- PM: Government Revenue "Disastrous"  
-- Unemployment Hits 15 Year High  
-- Old Police Commissioner (Acting) Asked to Stay On  
-- As War on Crime Heats Up  
-- Father of the Country  
-- PLP Seeks New Deputy Leader  
-- Water Problems Parch New Providence  
-- Hurricane Hunter Sparks Official Gratitude, Wows Local School Kids

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SOUTHCOM Still Loves Nassau  
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2. (SBU) Over 500 military personnel from the U.S., sixteen Caribbean nations, and Great Britain participated in Southern Command's 25th annual Tradewinds exercise March 4-18 in Nassau with outstanding support from the Bahamian government. The exercise focused on maritime interdiction and search and rescue operations, including boarding, evidence processing and hazardous material handling. Tradewinds is designed to improve cooperation and interoperability among Caribbean Basin Partner Nations in responding to shared regional security threats. SOUTHCOM hosted the event, despite The Bahamas' shift to NORTHCOM, in a sign of its continued commitment to involving The Bahamas in existing regional security programs.

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Nassau World's Busiest Cruise Port,  
Visitor Numbers Still Down  
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3. (U) The Nassau port was listed as the busiest cruise terminal in 2008, surpassing long-time champion Cozumel, with 1.1 million visitors to the island. Carnival Cruise, who collected the statistics, projects 2.2 million cruise passengers will visit The Bahamas in 2009. So far so good, as the Ministry of Tourism reported cruise passenger arrivals were up 30 percent in January 2009 when compared to the same period in 2008. Despite this good news, the Ministry of Tourism reported a 4.5 percent decrease in total visitors (both cruise and air) to The Bahamas in 2008, with the last quarter of 2008 showing a significant decrease in U.S. visitors.

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PM: Government Revenue "Disastrous"  
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4. (U) Prime Minister Ingraham described government revenue collection as "disastrous" March 25 and said revenue for the first quarter of the year was bleak. He sought to dispel any notion that public funds could be used for unemployment assistance once the National Insurance Board's Medical Fund is depleted, explaining that employees and employers will need to contribute to ensure sustainability. The Minister of State for Finance assured the public that despite the challenges with revenue the government will

be able to fund the deficit this fiscal year and will not reduce spending at this time. He said that it is uncertain, however, whether the GCOB will be able to fund the deficit in the 2009/2010 fiscal year budget.

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#### Unemployment Hits 15 Year High

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15. (U) The Department of Statistics reported the highest unemployment rate The Bahamas has seen in 15 years. The rate of unemployment jumped from 8.7 percent in May 2008 to 12.1 percent in March 2009. A total of 16,315 people are looking for work in New Providence, and 4,195 people in Grand Bahama. To make matters worse, the Grand Bahama numbers increased this month after the Isle of Capri casino closed operations, leaving 234 additional jobless on the second most populous island.

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#### Old Police Commissioner (Acting) Asked to Stay On ...

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16. (SBU) The GCOB named Reginald Ferguson Commissioner of Police March 17 after he spent well over a year as acting commissioner, completing a leadership restructuring exercise that considerably thinned the top ranks. Ferguson may not serve a full five-year term given his age and seniority. In related news, parliament passed new legislation in February that imposed a 10-year term-limit on the commissioner and deputy commissioner of police, allowing a single reappointment. The opposition Progressive Liberal Party (PLP) protested loudly and abstained from the vote, claiming the measure was unconstitutional and would make the chief of police too vulnerable to political pressure.

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#### ... As War on Crime Heats Up

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17. (SBU) Another high-speed chase through residential neighborhoods ended in a fatal shoot-out with police March 22, leaving one gunman dead and officers unharmed. An official warned the public that policemen were trained to use firearms and would defend themselves when confronted: "No police officer is a head-hunter, but no criminal has the right to try and take a police officer out." Two more violent attacks were recorded in areas frequented by Embassy staff - a near-fatal stabbing of a patron outside a popular waterfront nightspot opposite the famed Atlantis towers, and a beating death during evening working hours in a supermarket parking lot.

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#### Father of the Country

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18. (SBU) The muckraking Tribune newspaper provoked a wave of outrage and criticism with reports alleging that Sir Lynden Pindling -- The Bahamas' first black Prime Minister, PLP leader and "father of the country" suspected by many of drug-related corruption -- was responsible for the early 1980s disappearance of an airplane with the loss of two Bahamian crewmen who supposedly "knew too much" about official collusion with Colombian drug lords. Other reports questioned the accepted version of his Bahamian birth and nationality and speculated he was Jamaican or -- even worse for popular biases -- Haitian-born.

The ensuing controversies united the opposition PLP in righteous indignation in the lead-up to a celebration of Pindling's birthday on March 22, without eliciting denials about the accuracy of the underlying and longstanding corruption suspicions. Reactions to both stories were far out of proportion to the meager evidence cited for either charge. But they reflected the PLP's keen sensitivity to reminders about the drug-smuggling boom in the late 1970s and early 1980s, given widespread perceptions of scandal and corruption in the PLP administration from 2002-7.

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#### PLP Seeks New Deputy Leader

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19. (SBU) The opposition plans to hold its next convention in late October 2009, according to a report in a widely-read tabloid confirmed by an opposition source. The perennially cash-strapped party held a "spring festival" for supporters in advance of the

Pindling birthday observance to raise money for the planned convention. Observers speculate the PLP will stage a race for the deputy leadership. The question is how the race will be run -- whether incumbent leader Perry Christie will anoint a successor to be confirmed, or will allow an open competition among a handful of hopefuls to bring in new blood. Either way, the result would leave Christie's top spot uncontested for the second time since the PLP's May 2007 election loss.

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Water Problems Parch New Providence  
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¶10. (SBU) Periodic water shortages hit Nassau as mechanical problems and bad weather hampered regular barging operations, which supply some 30 percent of the capital's water supply, from neighboring Andros Island. Public service announcements warned for weeks of unspecified supply difficulties and conservation measures during an unseasonably cool and dry winter period. Neighborhoods in the south of the island were left high and dry from March 19 as strong winds causing ocean swells disrupted the only water barge's daily runs. The responsible minister opined that Nassau's water situation was financially "unsustainable" due to decaying infrastructure, outdated pricing, which does not account for high costs of the latest reverse osmosis desalinization processes, and rising energy and other fixed costs. He said a multi-million dollar taxpayer bailout was needed to get the water utility back on an even keel in the long term.

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Hurricane Hunter Sparks Official Gratitude,  
Wows Local School Kids  
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¶11. (SBU) A U.S. Air Force "Hurricane Hunter" C-130 aircraft visited Nassau on March 23 as part of NOAA's Caribbean Hurricane Awareness Tour (CHAT). CDA gave opening remarks along with GCOB officials, followed by a tour of the plane. Bahamian Minister of Environment Earl Deveaux thanked the National Hurricane Center (NHC) and the crew of the hurricane hunter aircraft for their steadfast cooperation with The Bahamas during hurricane season. The Bahamian Meteorological Service was equally grateful for the support of the NHC during hurricane season. U.S. Air Force officials and NOAA scientists spent the rest of the afternoon giving tours to Bahamian schoolchildren. Local media were present at the event and the visit was covered in The Bahamas' largest newspaper, as well as on local radio and television.

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